

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF HENDERSON-UNION)	
RURAL ELECTRIC COOPERATIVE)	
CORPORATION FOR TEMPORARY DEVIATION)	CASE NO. 92-237
FROM 807 KAR 5:006, SECTION 7(6))	

O R D E R

On June 9, 1992, Henderson-Union Rural Electric Cooperative Corporation ("Henderson-Union") filed an application requesting permission to postpone implementation of recently revised 807 KAR 5:006, Section 7(6). This temporary deviation from the regulation would allow Henderson-Union to continue its current policies pertaining to customer deposits until such time that its billing agent, Big Rivers Electric Corporation ("Big Rivers"), has completed renovation of its customer billing process.

Henderson-Union indicated that a new billing process is scheduled for design and implementation by the summer of 1993. Big Rivers will make these changes for each of its four member cooperatives.

Henderson-Union proposes to continue to accrue interest on all deposits at the annual rate of 6 percent, in accordance with KRS 278.460, and to either credit the deposit to the final bill or refund it to customers upon termination of service.

Henderson-Union requests that it be permitted to forego the annual disbursement of interest accrued on deposits until its billing process has been redesigned to accommodate this

requirement. Henderson-Union has indicated that if it is required to implement the annual accrued interest disbursement, the results would be a delay in installation of the new billing designs of the other three cooperatives and an increase in the expense of its new billing design.

After reviewing the record in this case and being otherwise sufficiently advised, the Commission finds that:

1. Henderson-Union will be unable to make the annual disbursement of interest accrued on deposits without incurring excess costs and creating delays in billing design changes for three other cooperatives. Therefore, for good cause shown, Henderson-Union should be allowed to deviate from implementation of 807 KAR 5:006, Section 7(6), until such time that its new consumer billing design has been completed.

2. Henderson-Union should continue to pay interest on deposits in accordance with KRS 278.460 and 807 KAR 5:006, Section 7, in effect prior to revisions dated February 26, 1992, and its filed tariffs.

IT IS THEREFORE ORDERED that:

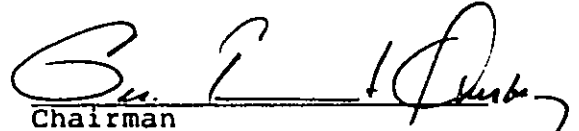
1. Pursuant to 807 KAR 5:006, Section 7, for good cause shown, Henderson-Union's request for temporary deviation is hereby granted.

2. Henderson-Union shall file with this Commission its revised tariffs in accordance with the regulations waived herein at least 30 days prior to implementation of the new billing design.

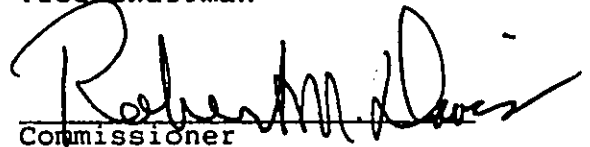
3. Henderson-Union shall continue to pay interest on deposits in accordance with KRS 278.460 and 807 KAR 5:006, Section 7, in effect prior to revisions dated February 26, 1992, and its filed tariffs.

Done at Frankfort, Kentucky, this 28th day of July, 1992.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director